

Message Text

LIMITED OFFICIAL USE

PAGE 01 DACCA 04777 040306Z
ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 COME-00 TRSE-00 L-03
/028 W

-----088959 042347Z /13

R 031010Z AUG 78
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 314

LIMITED OFFICIAL USE DACCA 4777

PASS OPIC

E.O. 11652: N/A
TAGS: EINV, BG
SUBJ: BELBAGCO CLAIM

REF: STATE 194551

1. WE HAVE CONTINUED TO ESCALATE THE PACE AND SUBSTANCE OF OUR POSITION ON THE BELBAGCO CLAIM EVEN AS THE BDG HAS CLAIMED (WE BELIEVE THIS TIME ACCURATELY) TO HAVE INITIATED AN INTER-MINISTERIAL PROCESS DIRECTED TOWARD AN EARLY DECISION. THIS PROCESS IS IN RESPONSE TO A REQUEST BY PRESIDENT ZIA FOR ACTION ON BELBAGCO FOLLOWING THE AMBASSADOR'S DISCUSSION WITH ZIA JUNE 17.

2. AT A SOCIAL OCCASION JULY 22 THE AMBASSADOR RAISED BELBAGCO WITH INDUSTRIES MINISTER JAMALUDDIN AHMAD. IN REPLY TO AHMAD'S COMMENTS ABOUT BDG'S DIFFICULTY IN DEVIATING FROM ESTABLISHED ACCOUNTING FORMULA, THE AMBASSADOR NOTED DEEP COMPROMISES WE HAD MADE IN ORDER TO SETTLE AND OUR CONCERN THAT BDG APPARENTLY REVISED WHAT WE THOUGHT WAS A FIRM OFFER TO SETTLE.

3. THE AMBASSADOR ALSO RAISED SUBJECT WITH INDUSTRIES
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DACCA 04777 040306Z

SECRETARY MATIUL ISLAM AT DINNER AT THE RESIDENCE JULY 27. ISLAM REPORTED THE MINISTER HAD CONSULTED HIM ABOUT A PROPOSAL OF THE PRESIDENT ON BELBAGCO AND THAT THEY HAD DECIDED TO SEEK INTER-MINISTERIAL CONCURRENCE.

4. IN CONVERSATIONS WITH ISLAM AND AHMAD THE AMBASSADOR MADE IT CLEAR THAT NO SETTLEMENT LOWER THAN \$620,000

WOULD BE ACCEPTABLE TO THE USG. EMBOFFS ALSO DISCUSSED BELBAGCO RECENTLY WITH SECRETARY AND DEPUTY SECRETARY OF INDUSTRIES.

5. THE AMBASSADOR CALLED ON THE PLANNING MINISTER (WHO IS RESPONSIBLE FOR ALL AID MATTERS) ON AUGUST 2 IN ORDER TO EMPHASIZE THE NEED FOR EFFECTIVE PERFORMANCE TO RETAIN CONGRESSIONAL SUPPORT FOR U.S. AID TO BANGLADESH. (MINISTER'S STAFF HAD PREVIOUSLY ASKED EMBOFF FOR BACKGROUND ON BELBAGCO, EVIDENTLY IN CONNECTION WITH MINISTRY'S STUDY OF THE RECOMMENDATION TO BE SUBMITTED TO THE PRESIDENT.) IN THIS CONTEXT THE AMBASSADOR RAISED BELBAGCO, INDICATING SOME EXASPERATION AT THE LENGTHY PROCESS EXTENDING BACK THROUGH THE TOURS OF HIS TWO PREDECESSORS, A PROCESS WHICH HAS STILL NOT PRODUCED A SETTLEMENT. THE AMBASSADOR NOTED EXECUTIVE BRANCH OBLIGATION TO REPORT ANNUALLY TO THE CONGRESS THIS OUTSTANDING BDG DEBT TO THE USG AND EMPHASIZED THE DAMAGING EFFECT THE BDG FAILURE TO SETTLE WOULD HAVE ON BOTH AID AND INVESTMENT CLIMATE. HE NOTED THAT UNDER PRESENT CIRCUMSTANCES THE USG COULD NOT INSURE U.S. INVESTMENT AND THE EMBASSY COULD NOT RECOMMEND ANY INVESTMENT. IN REPLY HUDA WAS NONCOMMITTAL BUT SAID HE WOULD TAKE THE MATTER UP WITH THE INDUSTRIES MINISTER.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DACCA 04777 040306Z

6. THE AMBASSADOR INTENDS TO RAISE BELBAGCO WITH THE FOREIGN SECRETARY HUSAIN ON AUGUST 4, AS AN ISSUE WHICH HUSAIN AS AMBASSADOR-DESIGNATE TO WASHINGTON (NOT YET ANNOUNCED) SHOULD RESOLVE PRIOR TO HIS DEPARTURE FROM DACCA.

7. THE ONLY LEVEL AVAILABLE FOR FURTHER ESCALATION IS THE PRESIDENT WITH WHOM THE AMBASSADOR RAISED THE ISSUE ON JULY 17. WE BELIEVE IT WOULD BE PREMATURE TO RETURN TO THIS LEVEL SO LONG AS WE ARE ASSURED A PROCESS DIRECTED TOWARD URGING A BDG POSITION IS UNDERWAY AND IS MOVING.
SCHNEIDER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CLAIMS, COMPENSATION, NATIONALIZATION
Control Number: n/a
Copy: SINGLE
Draft Date: 03 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DACCA04777
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780320-0078
Format: TEL
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197808104/aaaadixj.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8b1f0358-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 194551
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1551697
Secure: OPEN
Status: NATIVE
Subject: BELBAGCO CLAIM
TAGS: EINV, BG, BELBAGCO
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8b1f0358-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014